

1 (Whereupon, the following out of.

2 In camera proceedings were had.)

3 JUDGE DOLAN: How much longer do you have,
4 Karen.

5 MS. LUSSEN: About 15 more minutes.

6 BY MS. LUSSEN:

7 Q Can we turn to your Exhibit 15.0 of
8 Page 11, Lines 235 through 261.

9 A Yes, ma'am, Line 235. I'm there.

10 Q There you indicate that you rejected
11 Mr. Coppola's recommendation for Wisconsin Energy to
12 perform a thorough evaluation of the AMRP and scale
13 the program.

14 Do you see that there?

15 A I see the Q&A starting at Line 235, yes,
16 ma'am.

17 Q And you indicate, as I understand your
18 testimony, you assert that because the Commission
19 rejected the imposition of performance-based metrics
20 related to recovery of Rider QIP expenses in the rate
21 case, the most recent rate case, that similarly the
22 Commission should not require the acquiring company

1 to reevaluate the timeline of the AMRP.

2 Do you see that?

3 A Yes, I see at Line 252, it says the
4 Commission ruled that the record did not support
5 imposing any additional metrics on Gas' main
6 replacement program.

7 Q Would you agree that the statute by
8 which -- to the extent you know or in the Commission
9 evidence that the Commission considers in this case,
10 in evaluating the proposed merger is different than
11 those that typically do apply to setting rates in a
12 rate case, if you know as a nonlawyer?

13 A I don't know.

14 Q Would you agree, if you're aware, that the
15 statute that -- strike that.

16 Would you agree that the Commission
17 has the ability in this case to impose such terms
18 conditions or requirements as in its judgment are
19 necessary to protect the interests of the public
20 utility and its customers, if you know?

21 A I don't know.

22 Q As the president of Wisconsin Energy, do

1 you believe it's appropriate in terms of public
2 safety that a main replacement project target
3 high-risk high-priority main segments first as
4 opposed to less risky main segments?

5 A So could you repeat the question.

6 Q As in your position of president of
7 Wisconsin Energy, do you believe it's appropriate in
8 terms of public safety that a main replacement
9 program should target high-risk high-priority mains
10 first as opposed to less vulnerable mains?

11 A Well, my view would be that a main
12 replacement program should take a number of factors
13 into account, so one of them probably would be risk.

14 Q Would you agree that another factor would
15 be impact on customer rates?

16 A Yes.

17 Q Do you agree it's appropriate in terms of
18 avoidance of shareholder risk and Peoples Gas'
19 liability exposure that the AMRP target high-risk
20 high-priority main segments first?

21 MR. EIDUKAS: I object to the extent it calls
22 for a legal conclusion and is compound.

1 MS. LUSSON: I will be happy to split it up.
2 And again, I can preface it by saying I'm not asking
3 him. I know he's not a lawyer. I'm not asking him
4 for a legal conclusion.
5 JUDGE DOLAN: Break it up then.
6 BY MS. LUSSON:
7 Q Mr. Leverett, do you agree it's appropriate
8 in terms of avoidance of shareholder risk that an
9 AMRP target high-risk high-priority main segments
10 first?
11 A Can you explain what you mean by
12 "shareholder risk."
13 Q Well, to the extent -- let me create a
14 hypothetical.
15 That a segment of main explodes and
16 there is an explosion within the City of Chicago or
17 elsewhere to a Wisconsin utility, to the extent that
18 that might subject shareholders to some risk of lower
19 dividends or possibly legal liability, I'm not sure,
20 in your position as the president of Wisconsin
21 Energy, do you think it makes sense that a main
22 replacement program target high-risk, high-priority

1 main segments?

2 A Well, as I said before, my view would be
3 that a main replacement program should take risk into
4 account when you're making decisions about in what
5 order you do the work.

6 Q Do you believe -- I know you said impact on
7 customer rates is a factor. You stated that, would
8 you agree, just a minute ago?

9 A Yes.

10 Q Do you believe a properly designed AMRP
11 should minimize the impact on customer rates
12 balancing it with safety needs?

13 A Well, there might be a number of factors
14 that should be considered, so I guess you have to
15 consider all those when you put the program together.

16 So certainly we talked about risks.
17 We talked about customer rates. There might be
18 others. You know, interaction with other work that's
19 being done in the city. There might be a lot of
20 factors that you have to look at.

21 Q And would attempting to ensure least-cost
22 utility rates be one of those factors as well, so

1 that utility service remains affordable?

2 A The cost should be a consideration.

3 Q Would you agree that it's in ratepayers
4 interests for Peoples Gas or Wisconsin Energy,
5 whoever is in charge post-merger to evaluate the
6 appropriateness of the 2030 timeline as soon as
7 possible to the extent you have indicated that that
8 assessment is going to take place?

9 A I think I have testified that we -- do you
10 have that cite in the surrebuttal?

11 So can you repeat the question.

12 Q Sure.

13 Would you agree, going back to the
14 statement in, I believe, the Cross-Exhibit that
15 indicated that the Company was going to conduct an
16 assessment of whether the 2030 timeline was the
17 appropriate timeline, would you agree that that study
18 referenced in 15.0 AG 15.02-E that it's in
19 ratepayers' interest to conduct that assessment as
20 soon as possible post-merger?

21 A I believe it's in the ratepayers' interest
22 to do a complete assessment.

1 Q To the extent it impacts capital
2 expenditures, and thereby customer rates, would you
3 agree that it's important to do it sooner rather than
4 later?

5 A It's important to do a good assessment.
6 That's what I said.

7 Q So the timing of that assessment is not
8 important, in your view?

9 A No. It's better to do a good assessment
10 and do it well.

11 Q Is it correct that that assessment wouldn't
12 formally be reported to the Commission until 2018
13 under your proposal?

14 A So are you referring specifically to
15 No. 11? I'm sorry. Exhibit 15.1?

16 Q I'm looking back on AG Cross-Exhibit 6 at
17 Subsection E where you say assessment of these
18 issues -- that is, you know, whether an analysis or
19 assessment to conclude that the 2030 completion date
20 is still feasible and achievable in a cost-effective
21 manner for ratepayers. You indicate that you will be
22 doing that as part of the Liberty final report from

1 its phase-one investigation.

2 Do you see that in Subpart E?

3 A Yes.

4 Q Is it correct that that assessment then
5 would not be formally reported to the Commission
6 until 2018?

7 A No.

8 Q When would that be reported to the
9 Commission?

10 A I don't know.

11 Q Do you believe it's a good idea for the
12 Commission to have reports from Peoples Gas that
13 compare actual versus forecasted annual investments
14 in AMRP?

15 A Yes.

16 Q And do you think it's a good idea for those
17 reports about planned infrastructure, forecast and
18 actual investments to also include information about
19 the MRI, the main ranking index, of the mains that
20 are to be replaced in that year?

21 A I'm not familiar with the details of the
22 MRI, so I can't really say.

1 Q Do you think it would be a good idea for
2 the Commission to keep apprised annually as to the
3 total projected cost to complete the program and the
4 quantity -- let me stop there -- to the extent that
5 that might change year to year?

6 A So repeat the question.

7 Q Do you think it would be a good idea to
8 keep the Commission informed about total projected
9 annual costs to complete the program on an annual
10 basis?

11 MR. EIDUKAS: Well, you know, I'm going to
12 object, your Honor, to the extent that what may or
13 may not be a good idea for the Commission to know
14 about the AMRP isn't really related to what impact
15 approving a reorganization of Wisconsin Energy
16 Corporation by the stock of Integrys Energy Group
17 will have. This is a question on the AMRP itself and
18 it just doesn't seem to be relevant to the issues
19 under 7-204. So I will object to this further line
20 of questioning.

21 MS. LUSSEN: Well, it appears -- your Honor, it
22 appears that the Commission is going to be following

1 what happens with the AMRP. And, in fact,
2 Mr. Leverett has indicated that certain -- they're
3 willing to file certain reports.

4 So I'm simply trying to inquire as to
5 what he thinks would be -- whether he thinks certain
6 information would be important to include in those
7 reports, whether or not they actually equal or mirror
8 a commitment that they have made.

9 MR. EIDUKAS: I guess I will just go back to
10 the Commission is interested in the AMRP and there
11 are other avenues and proceedings in which that will
12 take place. To the extent that Mr. Leverett has
13 offered a commitment, that commitment has been stated
14 in his testimony, and whether there is other items or
15 other actions that may or may not be of interest to
16 the Commission or helpful to the Commission or
17 related to the AMRP, I should say may be relevant to
18 the Commission, but they're not at issue to this case
19 and they're not relevant to the decisions to be made
20 in this case.

21 MS. LUSSON: They sure are at issue. These are
22 pieces of information that Mr. Coppola has

1 recommended to be included for the rate filing
2 requirements.

3 MR. EIDUKAS: Again, not to belabor it, but
4 Mr. Coppola's testimony will stand on its own and
5 does not and should not expand the scope of what
6 Mr. Leverett has testified to.

7 JUDGE DOLAN: I'll sustain the objection.

8 MS. LUSSEN: Okay.

9 BY MS. LUSSEN:

10 Q Finally, I want to ask you a few questions
11 about employee numbers and Integrys customer
12 experience savings. Two issues addressed in
13 Mr. Effron's testimony that you also responded to.

14 If you could look at your Exhibit 15.0
15 at 16.

16 Now, at Lines 346 and 354, you
17 indicated a proposal to maintain a minimum level of
18 employment at the gas company's based upon the 2015
19 test year levels for which recovery was approved in
20 their 2014 rate cases.

21 Do you see that?

22 A Yes.

1 Q Now, if you look at Lines 355 through 362,
2 you state that you don't agree with the AG proposal
3 for condition approvals and merger on implementation
4 of a rider to credit customers for savings due to the
5 difference between test year head counts in the 2014
6 rate case and the employee head count commitment in
7 the present case.

8 Do you see that?

9 A Yes.

10 Q If from a rate perspective, the alternative
11 condition that you describe at Lines 352 through 354
12 of your surrebuttal testimony is adopted, then
13 there's no problem here; would you agree, at least
14 between you and Mr. Effron? That is, there would be
15 no difference between the test year head counts in
16 2014 rate case rate levels and the Joint Applicant
17 employee head count in the present case?

18 MR. EIDUKAS: I'm going to object to the extent
19 this question is going to questions about rate
20 setting, which was decided in previous rate cases.
21 This proceeding is not about the setting of rates.

22 MS. LUSSON: Well, the issue that we're

1 addressing and that Mr. Leverett is discussing here
2 is completely contingent on what Mr. Effron observed
3 about the employee levels that were approved in the
4 2014 rate case and that information that the Joint
5 Applicant presented in this case about employment
6 levels. So it's absolutely at issue in this case.

7 The question simply asks him if his
8 alternative condition was adopted, then the issue was
9 resolved. That was the question.

10 JUDGE DOLAN: I will overrule.

11 THE WITNESS: So will you repeat the question.

12 BY MS. LUSSON:

13 Q Sure.

14 Would you agree that if the Commission
15 adopts your alternative condition described at
16 Lines 352 through 354, that issue between the AG and
17 the Company is resolved? Would you agree?

18 A And so what specific issue are you talking
19 about being resolved?

20 Q About whether or not there needs to be some
21 sort of compensation to ratepayers as a condition of
22 this merger because the employee level of commitment

1 that Joint Applicants initially made differed and
2 was, in fact, less than the employee numbers that
3 were the basis for setting rates in the 2014 case?
4 Do you recall that issue?

5 A Well, the alternative that I laid out on
6 352 to 354 specifically the Joint Applicants agree
7 that the gas companies will maintain at least 1,534
8 full-time equivalents for two years after the
9 reorganization closes.

10 So we adopt that, there will be at
11 1,534 FTEs for two years after the reorganization
12 closes for the gas companies.

13 So I would have to leave it to you as
14 to whether that addresses the Attorney General's
15 concern.

16 Q Okay. I will show you what I will mark as
17 AG Cross-Exhibit 7. AG Cross-Exhibit 7 is Joint
18 Applicants' response to AG Data Request 10.05.

19 This request sought information as to
20 the actual full-time employee head count at Peoples
21 Gas, North Shore and Integrys business support in
22 Illinois as of the latest date available.

1 Can you attest that the information
2 provided in this response is accurate given that
3 you're the witness addressing the issues of head
4 counts?

5 A I believe that's correct. This was the
6 information provided. I believe it's correct.

7 Q Okay. Would you agree that the levels
8 listed there, the employee levels for Peoples Gas and
9 North Shore are below the levels in the alternative
10 condition, at least as of the date of this request?

11 A So are you taking 1,303 adding 171 and
12 you're comparing that to Lines 352 to 354? That's
13 the comparison you're drawing?

14 Q Yes.

15 A So the answer is yes.

16 Q If your alternative condition that you
17 described at Page 16 of your Exhibit 15.0 is approved
18 and the total employment at the gas companies falls
19 below that 1,534 number, to the extent that this is a
20 commitment that is adopted as a condition of the
21 merger, would there be a penalty for failing to meet
22 that commitment?

1 MR. EIDUKAS: Objection; calls for a legal
2 conclusion.

3 MS. LUSSON: I'm just asking him if he
4 envisions any sort of compensation if, in fact, that
5 alternative condition is not met to the extent he
6 knows or has an opinion.

7 JUDGE DOLAN: Overruled, based on that.

8 THE WITNESS: I don't have an opinion.

9 BY MS. LUSSON:

10 Q And, finally, referring to Pages 24 and 25
11 of your surrebuttal testimony.

12 A I'm sorry. 24?

13 Q Yes.

14 This is reference to the Integrys
15 customer experience expenses issue that you address.

16 At Line 552, you state that the Joint
17 Applicants respectfully continue to disagree with the
18 recommendation that a refund of sorts be accredited
19 to customers for the savings from the ICE, I-C-E,
20 project, the ICE project?

21 Do you see that?

22 A Yes, the QA that starts on 545, Line 545.

1 Q Auh-huh.

2 A I see that.

3 Q Hypothetically, the Commission can't force
4 the rider as proposed by Mr. Effron on the gas
5 companies without the Joint Applicants implicitly
6 agreeing to it by going forward with the merger;
7 would you agree?

8 In other words, the Joint Applicants
9 have the ability to say no to that and presumably the
10 merger wouldn't happen?

11 A Can you repeat the question to make sure I
12 understand that question.

13 Q Presumably the Joint Applicants -- my
14 understanding is that you have objected to a refund
15 being accredited to customers as a condition of a
16 merger, which is what Mr. Effron proposed. That
17 would require agreement of the merger applicant,
18 wouldn't it, for it to be a part of this merger?

19 A I don't know.

20 MS. LUSSON: Thank you, Mr. Leverett. I have
21 no further questions.

22 Your Honor, I move for the admission

1 of the AG Cross-Exhibits 3, 4, 5, 6 and 7.

2 JUDGE DOLAN: You're going to put 4 and 5 in?

3 MR. HARVEY: We would like to see 5 before we
4 withhold objection.

5 MR. EIDUKAS: I would -- you know, I have no
6 objections, other than to 4 and 5 as admitting into
7 evidence portions of the Commission's orders that
8 were a Cross-Exhibit 4, which is a public record and
9 5, which is a Staff testimony in a prior case, which
10 Mr. Leverett testified he wasn't aware of, so I don't
11 think there is a foundation for admitting 5 as an
12 exhibit.

13 MS. LUSSON: Well, the reason -- I understand
14 the objection about a portion of an order, but the
15 point of the cross was to find out if he was aware of
16 it as part of the due diligence review, so that is
17 relevant. So that foundation was laid. There was no
18 objection to those questions. If there was, they
19 were overruled.

20 My point in including these two
21 exhibits is that the order itself does not clearly
22 reference those points in Mr. Buxton's testimony that

1 served as the basis for the 2012 audit requirement.
2 So I do think that in that regard to the extent that
3 the Joint Applicants weren't aware of those, we
4 believe are important findings by the Commission that
5 that is relevant and should be an exhibit in the
6 case.

7 MR. EIDUKAS: Your Honor, I stand on my
8 objection that the witness testified he was not aware
9 of this, so I don't see how there is a foundation for
10 it.

11 JUDGE DOLAN: I have to agree with him. I
12 don't agree that 4 and 5 should go into the record,
13 so I will admit 3, 6 and 7.

14 MS. LUSSON: Thank you.

15 (Whereupon, AG Cross-Exhibits
16 Nos. 3, 6 and 7 were admitted
17 into evidence.)

18 MR. EIDUKAS: Your Honor, for my indulgence for
19 just a few minutes to see if we have redirect?

20 JUDGE DOLAN: Sure.

21 Off the record.

22 (Whereupon, a recess was taken.)

1 MR. EIDUKAS: We're not going to have any
2 redirect.

3 JUDGE DOLAN: Mr. Giesler is going next?

4 MR. EIDUKAS: Yes. Mr. Giesler is going next.

5 MR. DOSHI: At this time, your Honor, I'm going
6 to distribute to opposing counsel and to yourself the
7 revised direct testimony of Mr. Salvatore Marano,
8 Peoples Gas Exhibit SDM-1.0, REV from Docket
9 No. 09-0167, which we were asking Joint Applicants
10 Witness Mr. Schott questions about earlier today.

11 JUDGE DOLAN: Is there any objections to AG
12 Cross-Exhibit 2?

13 MS. KLYASHEFF: I object for the relevance
14 reasons we objected when Mr. Schott was crossed.

15 MR. DOSHI: Your Honor, as we discussed
16 earlier, Mr. Schott raised the topic of Mr. Marano's
17 testimony in his testimony in this proceeding and we
18 wanted to introduce a true and correct copy of
19 Mr. Marano's testimony from the 2009 rate case to
20 establish that Mr. Marano was hired by Peoples Gas to
21 perform an economic study of various AMRP completion
22 timelines and not for a consideration of safety

1 issues.

2 JUDGE DOLAN: Is there a reason the whole
3 document has to go in? I mean, I don't see the
4 relevance of the majority of this document. And
5 again, putting in testimony from other records isn't
6 exactly what I like to do.

7 MR. DOSHI: Your Honor, Mr. Schott, in his
8 surrebuttal testimony at Page 3 JA Exhibit 18.0
9 Page 3, beginning at Line 52, Mr. Schott purports to
10 summarize what Peoples Gas witness Mr. Marano did in
11 the 2009 rate case, and it's important to establish
12 context to show what Mr. Marano did and, in fact, did
13 not do in that case to establish why the proposed
14 2030 completion condition in this proceeding may or
15 may not be appropriate.

16 JUDGE DOLAN: Well, for what it's worth, I will
17 overrule the objection and allow the AG Cross-Exhibit
18 2 in. Let's move on.

19 (Whereupon, AG Cross-Exhibit
20 Exhibit No. 2 was admitted into
21 evidence.)

22 MS. KLYASHEFF: Joint Applicants calls its next

1 witness David Giesler.

2 JUDGE DOLAN: Mr. Giesler, please raise your
3 right hand.

4 (Witness sworn.)

5 DAVID D. GIESLER,
6 called as a witness herein, having been first duly
7 sworn, was examined and testified as follows:

8 DIRECT EXAMINATION

9 BY

10 MS. KLYASHEFF:

11 Q Mr. Giesler, please state your name and
12 business address, for the record, spelling your last
13 name.

14 A David D. Giesler, G-i-e-s-l-e-r. Business
15 address is 700 North Adams Street, Green Bay,
16 Wisconsin, 54307.

17 Q You have before you a document identified
18 as the Rebuttal Testimony of David D. Giesler and
19 marked as JA Exhibit 10.0 to which is appended JA
20 Exhibit 10.1 filed on E-docket on December 18th,
21 2014.

22 Do you have any changes or corrections

1 to that document?

2 A I do not.

3 Q You also have before you a document
4 entitled Surrebuttal Testimony of David D. Giesler
5 marked as JA Exhibit 19.0 filed with E-docket on
6 February 5, 2015.

7 Do you have any changes or corrections
8 to that document?

9 A I do not.

10 Q Today, if I were to ask you the questions
11 in those documents, would your answers be the same as
12 included in the documents?

13 A Yes.

14 Q Do you adopt these exhibits as your sworn
15 testimony in this proceeding?

16 A I do.

17 MS. KLYASHEFF: Subject to cross-examination, I
18 move for the admission of JA Exhibits 10.0, 10.1 and
19 19.0.

20 JUDGE DOLAN: Any objections?

21 MR. JOLLY: None.

22 MS. KLYASHEFF: The witness is available for

1 cross.

2 JUDGE DOLAN: Joint Applicants 10.0 and 10.1

3 and 19.0 will be admitted into the record.

4 (Whereupon, Joint Applicants

5 Exhibits 10.0 and 10.1 and 19.0

6 were admitted into evidence.)

7 THE COURT: Okay. Proceed.

8 MR. JOLLY: Thank you, your Honor.

9 CROSS EXAMINATION

10 BY

11 MR. JOLLY:

12 Q Mr. Giesler, my name is Ron Jolly. I'm an
13 attorney with the Attorney General's Office.

14 How are you?

15 A Good. Thank you.

16 Q You're currently in charge of the
17 Accelerated Main Replacement Program; is that
18 correct?

19 A Aspects of the program, yes.

20 Q Are you the person who is in charge of the
21 day-to-day operations of the program?

22 A Aspects of the program, yes.

1 Q Okay. What aspects are you in charge of?

2 A Basically, the short-term planning, the

3 execution of documents, control and closeout of the

4 projects.

5 Q And when you say "control," what do you

6 mean by "control"?

7 A A schedule in change management from a

8 financial standpoint.

9 Q From a financial standpoint?

10 A Change management, correct.

11 Q And what was the last item you mentioned?

12 A Closeout.

13 Q What does closeout mean?

14 A Closeout is basically ensuring the quality

15 control, the back end of the program to closeout the

16 construction contracts, every detail that's required.

17 Q And how long have you been in that

18 position?

19 A A little over 2 years.

20 Q Okay. And to whom do you report?

21 A I report -- direct report or for the

22 program?

1 Q For the program, let's say.

2 A For the program, I report to Bill Morrow.

3 Q And is he the head of the program overall?

4 A That's a good question. He was the head of

5 the program. It is in the process of transitioning

6 to John Kleczynski.

7 Q Okay. And what is Mr. Kleczynski's

8 position?

9 A He's the president of the PGL.

10 Q Okay. So he is going to be the head of the

11 marketing?

12 A In some fashion, correct.

13 Q So you indicated that that is in

14 transition. And is that a recent occurrence?

15 A Yes, it is.

16 Q Okay. In the past six months?

17 A Yes.

18 Q And you're based in Green Bay, correct?

19 A I work in Chicago three days a week and the

20 other two days I'm in Green Bay.

21 Q Okay. Now, have you been told by WEC or

22 anybody at PGL or Integrys, I guess I should say,

1 whether you will continue to hold your position
2 assuming that the transaction in this case is
3 approved?

4 A I have not.

5 Q Okay. Have there been discussions along
6 those lines?

7 A No, there have not.

8 Q And do you know whether WEC has made any
9 indications in terms of whether it has made any final
10 decisions as to who will manage or oversee the AMRP
11 after the transaction?

12 A No, not to my knowledge.

13 Q Now, were you here during the
14 cross-examination of Mr. Leverett?

15 A For the most part, yes.

16 Q Okay. And my recollection of his testimony
17 I think he said that you participated in the
18 discussions between Integrys and WEC prior to the
19 transaction being announced; is that correct?

20 A That's incorrect.

21 Q That is incorrect?

22 A I believe it was referenced Mr. Schott and

1 myself in the same sentence.

2 Q Okay.

3 A I was not.

4 Q So Mr. --

5 A I would assume the question was answered
6 toward Mr. Schott and not myself.

7 Q Okay. Were you -- did you have any
8 conversations with any of the WEC concerning due
9 diligence issues prior to the announcement of the
10 proposed transaction?

11 A I did not.

12 Q Okay. Can you go to the bottom of Page 2
13 the top of Page 3 of your rebuttal testimony.

14 JUDGE DOLAN: Can we just hold on one second.
15 (Whereupon, a discussion was had off the record.)

16 BY MR. JOLLY:

17 Q And there you state that the Joint
18 Applicants "strongly disagree" with some of the
19 criticisms that AG Witness Coppola and City CUB
20 Witness Cheaks made with respect to the management of
21 the AMRP"; is that correct?

22 A That is correct.

1 Q Okay. When you made that statement, when
2 you refer to Joint Applicants, are you speaking for
3 all of the Joint Applicants?

4 A No, I'm not. I speak for myself.

5 Q And when you say you speak for yourself,
6 you're speaking for yourself as an employee of -- is
7 it IBS?

8 A I'm speaking on behalf of being the project
9 manager for AMRP.

10 Q Okay. Now, have you read the Liberty
11 interim audit report that was appended to Staff
12 Witness Harry Stoller's testimony in this case?

13 A I have.

14 Q You have?

15 A I have read that, yes.

16 Q And have you assessed some of the comments
17 made within that report concerning the management of
18 the AMRP?

19 A I guess, what do you mean by assessed.

20 Q Have you read the entire report?

21 A I have.

22 Q Do you agree with all of the conclusions

1 that the Liberty auditors make in their interim
2 report?

3 A I think it's way too early to agree or
4 disagree with any of the conclusions being an interim
5 report. Any audit has a process it follows. Taking
6 an interim report that is Step 1 or 2 of the process
7 and treating it like it's at Step 10 is not the
8 normal process for an audit, which is why it's an
9 interim audit.

10 We have not had the chance to sit down
11 with Liberty and go through their preliminary
12 findings, which is why they themselves do not want to
13 come in and testify on its behalf, until we vet
14 through, their making recommendations based off
15 several data points and interviews. I think they
16 would appreciate, as well as us, to sit down and talk
17 through all their findings and see which ones are
18 applicable and which ones are not.

19 So until that happens, it would just
20 be speculating on which ones are credible and which
21 ones are not.

22 Q Well, having read the report, you are

1 familiar that this was not a scheduled report; is
2 that correct?

3 A In the interim process with us within our
4 interviews, they were doing interim reports and then
5 they were not, so I wasn't sure where they stood on
6 it with their negotiations with them and the ICC, so
7 I was not sure if there would be interim reports or
8 not.

9 Q Do you have a copy of the report? I can
10 provide you one, if you need one.

11 Do you need one?

12 A I do.

13 Q If you look at the very first page S-1, the
14 last paragraph on that page, doesn't it state --

15 MR. HARVEY: Your Honor, I think we need to go
16 into camera.

17 JUDGE DOLAN: I was just going to ask that. I
18 don't know, is there anybody here because I noticed
19 that Chris left as I understand that paragraph
20 there --

21 (Whereupon, the following in camera
22 proceedings were had.)